

ADOPTED

DECEMBER 20, 1990

BOSTON REDEVELOPMENT AUTHORITY

SECOND AMENDMENT TO THE REPORT AND DECISION ON THE FRANKLIN PARK APARTMENTS PROJECT FOR THE APPROVAL AND/OR CONFIRMATION OF A CHANGE IN THE GENERAL PARTNERS OF FRANKLIN PARK ASSOCIATES, A PREVIOUSLY APPROVED URBAN REDEVELOPMENT LIMITED PARTNERSHIP.

A. Prior Proceedings. Reference is made to the following:

1. On November 21, 1974, the Boston Redevelopment Authority (the "Authority") voted to adopt a Report and Decision (the "Report and Decision") on a project known as Franklin Park Apartments (the "Project"). Such vote was approved by the Mayor of the City of Boston (the "Mayor") on November 27, 1974 and the vote as approved was filed with the Clerk of the City of Boston (the "City Clerk") on December 5, 1974. The Project, as more particularly described in the Report and Decision, consisted of 220 rental housing units at various scattered locations in the Dorchester and Roxbury sections of the City of Boston and operated pursuant to the requirements of a federal Department of Housing & Urban Redevelopment Section 8 Housing Assistance Payments Contract and the mortgage and regulatory requirements of the Massachusetts Housing Finance Agency ("MHFA"). Franklin Park Associates, a Massachusetts limited partnership, was approved in the Report and Decision as the Chapter 121A entity to own, operate and manage the Project.

2. On April 25, 1975, a certain Agreement under Chapter 121A, Section 6A, was executed by and between Franklin Park Associates and the City of Boston (the "6A Contract"). Subsequently, on December 13, 1983, a First Amendment to the 6A Contract was executed. Collectively, the 6A Contract and the First Amendment thereto shall be hereinafter referred to as the "Amended 6A Contract."

3. On December 17, 1987, the Authority voted to adopt a First Amendment to the Report and Decision (the "First Amendment"). Such vote was approved by the Mayor on December 30, 1987 and the vote as approved was filed with the City Clerk on January 6, 1988. The First Amendment authorized a transfer of the Project from the original Franklin Park Associates to a Franklin Park Associates II Limited Partnership as part of a resyndication by using low-income housing tax credits to create an infusion of capital for project rehabilitation and repair needs. No other changes in the Project were authorized at that time. Neither the transfer nor the resyndication took place and the original Franklin Park Associates retained ownership and control of the Project. Rescission of the vote authorizing the First Amendment is part of the Authority's Decision hereinafter set forth.

B. MHFA Actions. The following actions have been taken by MHFA

which held the mortgage on the Project:

1. Workout Agreement. On October 19, 1990, MHFA entered into a Workout Agreement with Franklin Park Associates authorizing in part a change in the General Partners and the Rehabilitation Program summarized in Subsection B(4) below. In accordance with the Workout Agreement, the Locust Corporation is now the only General Partner of Franklin Park Associates. MHFA may in the future authorize another replacement General Partner.

2. Rehabilitation Program. Because of the deteriorated condition of the Project properties, MHFA secured or will secure funding commitments from two sources for an extensive rehabilitation program (the "Rehabilitation Program"). Commitments include an allocation of low-income housing tax credits by the state Executive Office of Communities and Development ("EOCD") to raise equity funds through syndication and EOCD Weatherization funds. Below is a projected summary of funding sources:

Owner Equity	\$1,700,000
<u>Weatherization Funds</u>	<u>900,000</u>
 TOTAL	 \$2,600,000

The foregoing are projected amounts and the exact funding available from each may be less based on final syndication and grant and/or loan approvals.

3. New General Partner. The Locust Corporation is an affiliate of Housing Partnership Investments Limited, a California limited partnership ("HPIL"), which owns the sole limited partnership interests in Franklin Park Associates. Any future replacement General Partner authorized by MHFA will also be an affiliate of HPIL.

4. 6A Contract. In conjunction with the Workout Agreement, Franklin Park Associates is seeking a change in the payment-in-lieu of tax formula in the Amended 6A Contract. Specifically, it proposes to pay annually to the City of Boston the lesser of: (i) ten percent (10%) of collected gross income; or (ii) taxes that would otherwise be levied pursuant to Massachusetts General Laws Chapter 59 ("Chapter 59"). Provided further, that in the event the ten percent (10%) of collected gross income exceeds the Chapter 59 amount, then the difference would be placed in the Project's funded replacement reserve to be controlled by MHFA.

C. Authority Action. The Authority is acting hereunder pursuant to Chapter 121A, Sections 11, and Chapter 652, Section 13A, and all other applicable sections or provisions of both statutes. Approval of a change in the General Partners by the Authority under respectively Chapter 121A, Section 11, and Chapter 652, Section 13A, is required because of changes in the Project's financing program and potential changes to the Amended 6A Contract. The Authority has considered all information and

material provided by the MHFA and Franklin Park Associates sufficient in the Authority's judgment to enable it to act hereunder.

D. Decision. The Authority hereby acts as follows:

1. Rescission of First Amendment Vote. The Authority hereby rescinds in all respects its vote of December 17, 1987 which adopted the First Amendment to the Report and Decision.

2. Approval of General Partner Changes and Rehabilitation Program. The Authority hereby approves and/or confirms Locust Corporation as the replacement General Partner of Franklin Park Associates and any future replacement General Partner hereafter authorized by MHFA and the the Rehabilitation Program, subject to any and all terms and conditions herebefore or hereafter imposed by MHFA to consummate or finalize the same. Such terms and conditions are incorporated by reference as if fully set forth herein. Provided, however, if there should be any conflict or inconsistency between MHFA's terms and conditions and those of the various agreements mandated by the Authority's rules and regulations set forth below in Subsection D(4), the Authority's rules and regulations or the terms of the agreements mandated shall apply and govern.

3. General Findings and Determinations. The Authority hereby finds and determines that: (a) the Project changes approved in the Second Amendment do not constitute a "fundamental change" in accordance with Chapter 652, Section 13A; (b) except to the extent inconsistent with or contrary to the provisions of this Second Amendment, all of the findings, determinations, approvals and consents contained in the original Report and Decision are hereby ratified and conformed in all respects; (c) this Second Amendment conforms to and complies with the provisions of Chapter 121A, Chapter 652, and the Authority's "Rules and Regulations Governing 121A Projects in the City of Boston", as amended; and (d) any procedural or other requirements of applicable statutes and rules and regulations which may not have been complied with in the Authority's proceedings in connection herewith are hereby waived.

4. Rules and Regulations. Notwithstanding the minimum standards for financing, construction, maintenance and management of the Project and any other rules and regulations set forth or referenced in Section I of the original Report and Decision to the contrary, the Authority hereby imposes as additional rules and regulations on the Project and requires that Franklin Park Associates, prior to filing an application with the Inspectional Services Department of the City of Boston for any building permit, to (a) enter into a Regulatory Agreement under Chapter 121A, Section 18C, the terms and conditions of which are acceptable to the Authority's Director; and (b) notwithstanding the proposed changes set forth in Subsection B(4) to the contrary, enter into a further Amendment to the Amended 6A Contract, the terms and conditions of which are acceptable to the Commissioner of Assessing of the City of Boston (the

agreement with both the Authority and the Commissioner of Assessing whereunder MHFA will have the obligation to monitor the operation of the Project and provide financial and other reports (the "MHFA Agreement"). The terms and conditions of the MHFA Agreement must be acceptable to both the Authority's Director and the Commissioner of Assessing. The Regulatory Agreement shall contain provisions acceptable to the Authority's Director whereunder the Franklin Park Associates shall be required to sell or otherwise convey the Project to a tenant cooperative or other tenant-controlled entity no later than 15 years from the date hereof. The Authority's Director at his discretion may extend the time for entering into either or both the Regulatory Agreement and that further Amendment to the Amended 6A Contract.

5. Report and Decision. All provisions of the original Report and Decision not specifically amended or revised by, or in conflict with, this Second Amendment shall remain in full force and effect.

E. Estoppel Certificates. The Authority's Director is authorized to provide to governmental bodies, including but not limited to MHFA, and other interested parties, Estoppel Certificates or like instruments, at his discretion, which confirm matters covered by this Second Amendment.

F. Severability. In the event any provision of this Second Amendment shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

MEMORANDUM

DECEMBER 20, 1990

TO: BOSTON REDEVELOPMENT AUTHORITY and
STEPHEN COYLE, DIRECTOR

FROM: BRIAN DeLOREY, DIRECTOR: MIDTOWN CULTURAL DISTRICT
KEVIN MORRISON, DEPUTY GENERAL COUNSEL

SUBJECT: SECOND AMENDMENT TO THE REPORT AND DECISION ON THE
FRANKLIN PARK APARTMENTS CHAPTER 121A PROJECT
("FRANKLIN PARK PROJECT")

EXECUTIVE

SUMMARY: Request adoption of the Second Amendment to the Report and Decision on the Franklin Park Project, a 220 unit scattered-site housing development (the "Second Amendment"), involving primarily the approval of a change in the General Partners of Franklin Park Associates, the existing Chapter 121A entity, in accordance with a Workout Agreement with the Massachusetts Housing Finance Agency to accomplish a major rehabilitation program with approximately \$2,600,000 in new funding.

Project Background

In November, 1974, the Authority adopted the original Report and Decision on the Franklin Park Project which involved the rehabilitation of 220 housing units at scattered locations in the Roxbury and Dorchester neighborhoods with mortgage financing from the Massachusetts Housing Finance Agency ("MHFA") and rental assistance under the state Chapter 13A Program (64 units), and the federal Department of Housing and Urban Development ("HUD") Section 8 Program (156 units). Over time, the condition of the units deteriorated and in 1987 the Authority adopted a First Amendment to the Report and Decision (the "First Amendment") authorizing a resyndication to raise equity funds for rehabilitation purposes. The resyndication did not take place and the rehabilitation work was never initiated. In order to remedy management deficiencies, MHFA executed a Workout Agreement on October 19, 1990 with the existing Chapter 121A entity, Franklin Park Associates limited partnership, to replace the existing General Partners with the Locust Corporation.

Rehabilitation Program

MHFA has secured or will secure funding commitments from primarily two sources for an extensive rehabilitation program. Commitments include an allocation of low-income housing tax credits by the State Executive Office of Communities and Development ("EOCD") to raise equity funds through syndication

and EOCD Weatherization funds. Below is a projected summary of funding sources:

Owner Equity	\$1,700,000
<u>Weatherization Funds</u>	<u>900,000</u>
 TOTAL	 \$2,600,000

The foregoing are projected amounts and the exact funding available from each may be less based on final syndication and grant and/or loan approvals.

Through the beforementioned Workout Agreement, MHFA has sought to change the General Partners of Franklin Park Associates to correct technical default issues and authorize a replacement General Partner, the Locust Corporation, to undertake the Rehabilitation Program. Further, MHFA may authorize another corporate entity to replace the Locust Corporation in the future.

Since the Franklin Park Project is subject to Chapter 121A, MHFA is seeking the approval of the change in General Partners by the Authority. In addition, MHFA and the reconstituted Franklin Park Associates have sought changes to the project's payment-in-lieu tax agreement, the 6A Contract, to enhance affordability. Negotiations have been on-going with regard to acceptable changes to the 6A Contract with the City's Commissioner of Assessing.

In order to take advantage of the allocation of tax credits, the General Partner changes in Franklin Park Associates must be approved and/or confirmed by the end of 1990. Therefore, it is recommended that the Authority adopt the enclosed Second Amendment as presented.

The Office of General Counsel has determined that this proposed project transfer and the related rehabilitation program, do not constitute a "fundamental change" in accordance with the Acts of 1960, Chapter 652, Section 13A, as amended, and a public hearing on the amendment is not required.

An appropriate vote follows:

VOTED: That the document presented at this meeting entitled "SECOND AMENDMENT TO THE REPORT AND DECISION ON THE FRANKLIN PARK APARTMENTS PROJECT FOR THE APPROVAL AND/OR CONFIRMATION OF A CHANGE IN THE GENERAL PARTNERS OF FRANKLIN PARK ASSOCIATES, A PREVIOUSLY APPROVED URBAN REDEVELOPMENT LIMITED PARTNERSHIP", be and hereby is approved and adopted in all respects.